



The Bush “Wartime Budget”

A Balanced Budget

- + September 11th Emergency**
 - + Global War Against Terrorism**
 - + Recession Economy**
-
- = Temporary Budget Deficit**

Solutions For Temporary Deficits

➤ ~~Raise Taxes or “Gimmick” the Tax Out~~

➤ ~~Fail to Fund Security Priorities~~

➤ ~~Use “Smoke and Mirrors”~~

➤ **Grow Economy and Create Jobs**

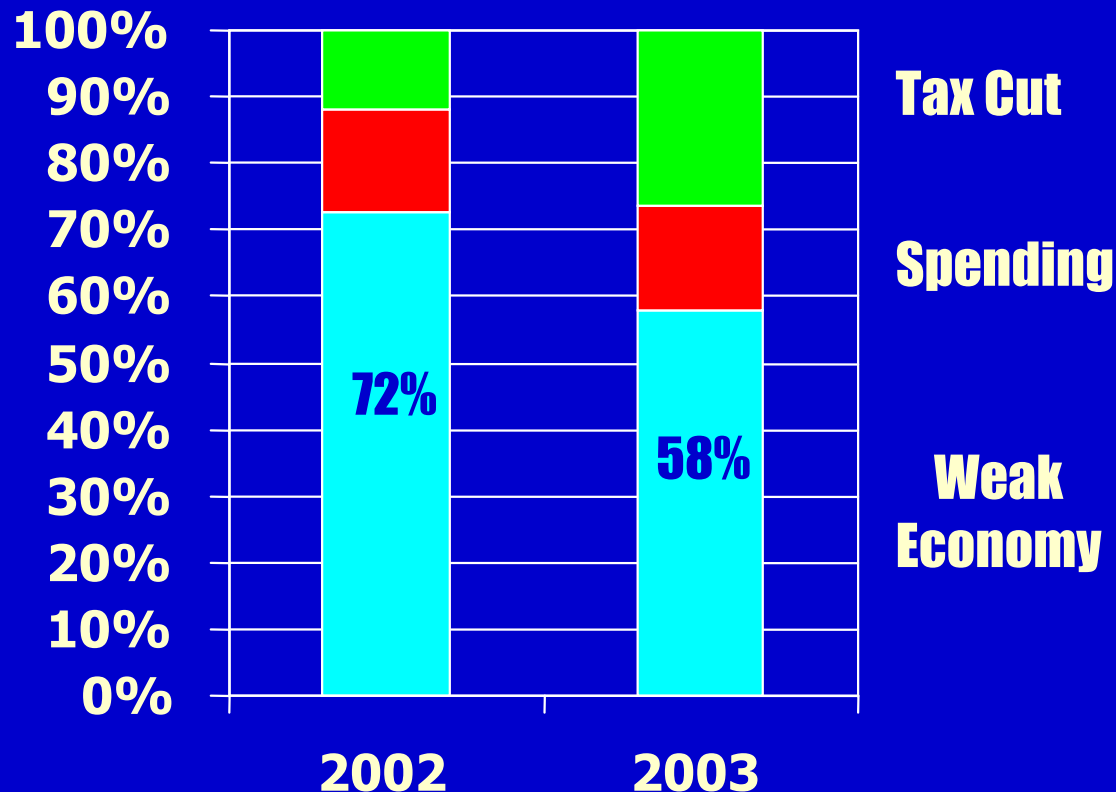
➤ **Eliminate “Wasteful Washington Spending”**

SECURE AMERICA'S FUTURE

Budget Priorities

- ***Win the War!* Fund Defense Priority**
- **Double *Homeland Security* Funding**
- **Stimulate the Economy and *Create Jobs***
- ***Fund America's Priorities First!***
- ***Hold Down Government Spending***
- ***Modernize Medicare* with Drug Benefit**
- ***BACK TO BALANCE* as soon as possible!**

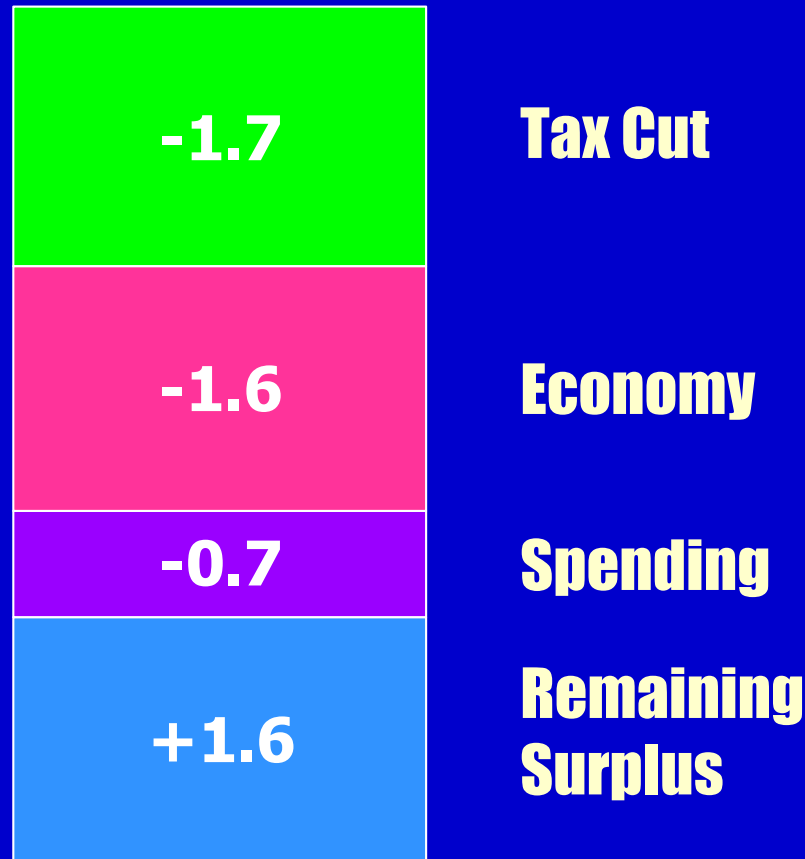
Largest Cause of Deficits in 2002 and 2003 is the Economy!



- The Economic downturn accounts for 72 % & 58%, respectively, of the total 2002 and 2003 changes.

10 Year Surplus “Estimates” Drop Sharply

From +\$5.6 Trillion Last January to +\$1.6 Trillion This January

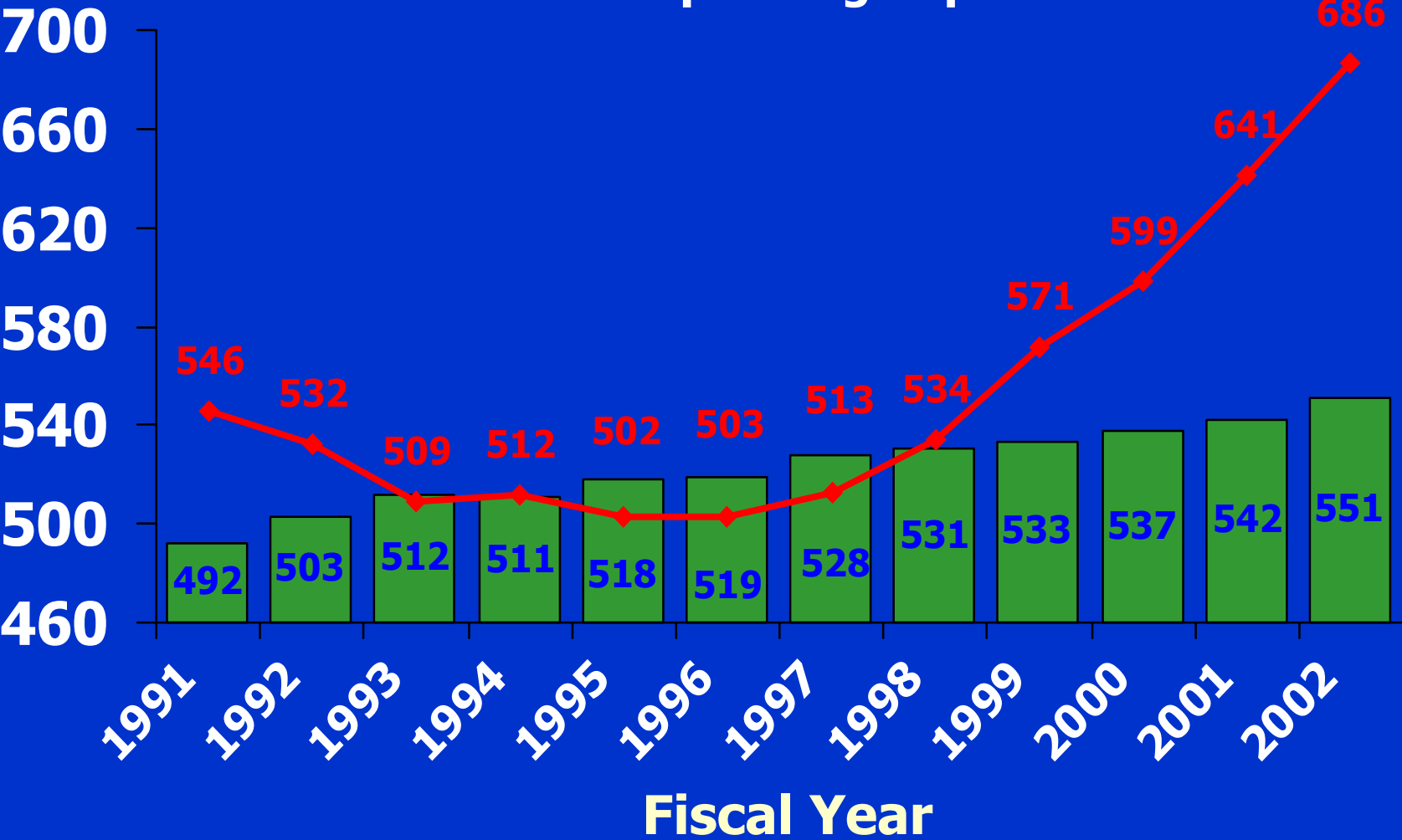


2002-2011 Total (Trillions)

Budget Surpluses Lead to Bigger Government

Discretionary Budget Authority in Billions of Dollars

Actual Spending
Spending Caps



Data exclude emergency response funding for the terrorist attacks. Prepared by the House Budget Committee based on OMB data.



**SENATE
BUDGET COMMITTEE
DEMOCRATIC CAUCUS**
KENT CONRAD, CHAIRMAN

TERRORIST ATTACK CHANGES BUDGET FOCUS

The terrorist attack against the United States on September 11th has changed the focus of Congress and the nation. Our first priority must now be to defend against further attack, care for the victims, rebuild what we have lost, and track down the perpetrators of these acts of terror. The world must know that our country stands united and determined to provide whatever resources are necessary to accomplish these goals. Our concern for protecting the integrity of the Social Security and Medicare trust funds remains, but must be achieved by returning to a policy of fiscal discipline over the long-term.